

Members

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Rep. James Buck
Rep. Ed Mahern
Dan Gammon
Paul Ricketts
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Vince Huber
Joe Anderson
Tom Hanify
Dr. Philip Borst
Monroe Gray
Cathy Burton
John S. Myrland
A. Scott Chinn



MARION COUNTY CONSOLIDATION STUDY COMMISSION

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Authority: P. L. 227-2005

MEETING MINUTES¹

Meeting Date: August 31, 2005
Meeting Time: 9:15 A.M.
Meeting Place: State House, 200 W. Washington St., Senate Chambers
Meeting City: Indianapolis, Indiana
Meeting Number: 2

Members Present: Sen. R. Michael Young, Chairperson; Sen. Billie Breaux; Rep. James Buck; Rep. Ed Mahern; Dan Gammon; Paul Ricketts; Rick Snyder; Vince Huber; Joe Anderson; Tom Hanify; Dr. Philip Borst; Monroe Gray; Cathy Burton; John S. Myrland; A. Scott Chinn.

Members Absent: None.

Sen. Young called the meeting to order at 9:17 a.m. After introduction of Commission members and staff, the Commission received the following testimony:

¹ Exhibits and other materials referenced in these minutes can be inspected and copied in the Legislative Information Center in Room 230 of the State House in Indianapolis, Indiana. Requests for copies may be mailed to the Legislative Information Center, Legislative Services Agency, 200 West Washington Street, Indianapolis, IN 46204-2789. A fee of \$0.15 per page and mailing costs will be charged for copies. These minutes are also available on the Internet at the General Assembly homepage. The URL address of the General Assembly homepage is <http://www.ai.org/legislative/>. No fee is charged for viewing, downloading, or printing minutes from the Internet.

Mayor Bart Peterson

Mayor Peterson discussed the fiscal problems faced by all Indiana municipalities, including the increased cost of the child welfare system. He said that the Indianapolis Works Plan (IWP) was initiated to cut costs, but evolved into a means of creating efficiencies and better service. He supports the IWP because of its positive effect on efficiency and service irrespective of its cost savings. Mayor Peterson summarized the city-county council's progress on consolidating the police and sheriff's departments. He described the benefits of merging the Indianapolis and township fire departments, transferring assessment duties to the county assessor, and reducing the number of township trustees. Mayor Peterson explained that since SEA 307 is different than the IWP, the city has had to return to the planning stage on the police/sheriff consolidation and the entire process has taken more time than it would have if the IWP had been passed by the General Assembly. SEA 307 also created obstacles to the fire consolidation that may prevent the fire consolidation from being implemented. While some efficiencies and cost savings can be achieved currently through administrative measures, consolidation is necessary to eliminate duplicative administrative structure and the multiplicity of decision makers.

Robert Clifford, City Controller, Director of the Office of Finance and Management

Mr. Clifford discussed the savings that resulted from reallocating the duties of the county auditor and the city controller. He also discussed the advantages of presenting a unified budget. He discussed future efficiencies and savings through reduction of annual audit costs and centralized purchasing practices. Mr. Clifford discussed the cuts that the city made to balance the 2005 budget. He also discussed the projected savings from merging the police and sheriff's departments. Mr. Clifford discussed the unfunded public safety pension liability and the need for state legislation to help meet those obligations. The Commission discussed the accuracy of the city's cost savings figures for reallocation of county auditor and city controller duties and the city's cost saving estimates for the police/sheriff consolidation. Mr. Clifford was questioned about whether the reallocation of duties between the controller and auditor has been implemented consistent with SEA 307. Sen. Young indicated there was an Indiana Attorney General opinion that addressed this issue. See Exhibit 1.

Gene Zink, Owner/CEO, Triton Pacific Investment Management, Chairman, Greater Indianapolis Chamber of Commerce

Mr. Zink indicated that he was testifying on behalf of several central Indiana businesses. Mr. Zink discussed his experience of merging four companies which resulted in stronger business entities. Mr. Zink discussed the timeline for a business merger. He stated that a merger plan must remain open to change as the transition progresses. Mr. Zink stated that the Greater Indianapolis Chamber of Commerce conducted its own study of IWP that concluded that the IWP would create efficiencies and savings. Mr. Zink stated that he also supports the IWP if it provides for more efficient delivery of services at the same cost.

Chris Pryor, Government Affairs Director, Metropolitan Indianapolis Board of Realtors

Mr. Pryor indicated that he supports transfer of township assessor functions to the county assessor, because it would result in efficiencies and uniform valuations countywide. Mr. Pryor supports other parts of the IWP that eliminate multiple layers of government, such creating a single Geographic Information System (GIS) instead of having separate

city and county GIS systems. Commission discussion followed on how the city's GIS system was too inaccurate for township assessing purposes, which require an exact legal description. Mr. Pryor indicated that MIBOR, not the membership, voted on the IWP legislative proposals, but MIBOR has received positive response from its realtor members regarding MIBOR's support of the IWP.

Tim Worthington, President/CEO, General Hotels Corporation

Mr. Worthington stated that he operates ten hotels in Indiana, six of which are in Indianapolis. He stated that Mayor Peterson and Mr. Clifford are trying to make the city more efficient, and although change is difficult, it is a good goal. Mr. Worthington indicated that he might change his mind about supporting the IWP if offered additional negative information. Mr. Worthington stated, however, that in determining whether to go forward with a business enterprise he usually relies upon accountants' reports, feasibility studies, and his instincts, not academic research.

Jack Snook, President, Emergency Medical Services Consulting, Inc.

Mr. Snook discussed his experience with fire consolidations. See Exhibit 2. He described how consolidations are driven by economics--small fire departments have difficulty providing the latest technology and responding to other pressures to provide service. In larger consolidations, most of the savings are realized through the reduction in administrative support, reduction in equipment and station costs, and long term strategic location of stations. Consolidation provides control in the planning process and allows for a shift of physical and human resources throughout the day to areas where there is the greatest need. He recommends that fire services and emergency medical services (EMS) remain together. He provided the Commission with the following tips for moving forward with a consolidation:

- Use good analysis.
- Use a systematic approach. An assessment of resources is necessary.
- Benchmarking is important.
- Political and community support is critical.
- Time and patience is important. It is a lengthy process.
- Communicate progress to all concerned.
- Focus on predetermined outputs such as service and performance limits.

Mr. Snook stated that consolidated fire departments do not have to surrender their local identity. He added that competition between fire departments can be focused internally after they are consolidated. Mr. Snook indicated that the best practices for maximizing cooperation and efficiency between departments are:

- A legal merger of departments.
- A contractual relationship between departments (an intergovernmental functional agreement).
- Creation of a joint powers authority or special district.

Lori Moore, Assistant to the General President, International Association of Firefighters

Ms. Moore described her background regarding emergency response system design, staffing and deployment of mobile resources, and system performance measurement and evaluation. See Exhibit 3. Ms. Moore discussed the advantages of including fire-based EMS in a fire department consolidation:

Create continuity of patient care (first responders and paramedics would be a part of the same agency)

Uniform medical protocols

Elimination of redundancy.

Increase the scope and depth of the offered services.

Ms. Moore stated that whether ambulance services are cost neutral is a local decision that is driven by demographics. A cost projection for the service can be done by looking at the percentage of the population who are insured, underinsured, or uninsured. Ms. Moore indicated that fire-based EMS should reduce liability of the local government, since one agency is performing all the patient care. Ms. Moore stated that the local government needs to look at the emergency calls it receives to determine the needs of the community and design an EMS system that responds to those needs. All hospitals and medical directors need to have input into the fire-based EMS system. Employee orientation is critical for a smooth transition from a hospital operation to a fire-based EMS service.

Mike Reeves, President, Indianapolis Professional Firefighter's Union Local 416

Steve Auch, Indianapolis Fire Department Division Chief

Mr. Reeves reviewed a report he presented to the Commission regarding fire based emergency medical services. See Exhibit 4. Mr. Reeves concluded that a transition to fire based EMS would be cost neutral. Mr. Reeves indicated that the union has an agreement with the mayor to pursue a fire based EMS. Mr. Reeves indicated that they propose a civilian force to staff the ambulances. Mr. Auch indicated that he is the chairman of a committee that will prepare a report regarding fire based EMS service after consolidation. He stated that the committee is made up of fire department members, physicians, and ambulance service providers. He indicated that patient outcome is the driving force in the EMS system they are proposing. The Commission discussed the proposal, including the number of firefighters needed after consolidation, transfer of equipment from Wishard to IFD, and redeployment of other equipment.

Sen. Young indicated that the Commission would now discuss the research proposals solicited by the Commission. Sen. Young informed members that under SEA 307, the President Pro Tempore of the Senate and the Speaker of the House would have to first approve the hiring of any firm to conduct a study. Sen. Young indicated that he received a letter from Commission member Scott Chinn concerning employment of research expert by the Commission. See Exhibit 5.

Jeff Peters, Reed & Peters, LLC

Mr. Peters reviewed the proposal he submitted to the Commission. See Exhibit 6. Mr. Peters indicated that the first question is to determine the starting point to assess what has been done. He indicated that the cost projections are only as good as the assumptions upon which they are based. He stated that he would look for omitted expenses/ revenues, look at the validity of assumptions, conduct reviews with affected agencies, evaluate source data, and create a funding scenario. Some Commission members voiced a belief that hiring Mr. Peters' accounting firm would constitute a conflict of interest since the firm has previously performed an analysis of data for the township governments. Commission members discussed whether a study would be worthwhile,

because without consensus on the firms providing the study, members won't accept the study's findings. The Commission voted 8 to 5 to recommend employment of Reed & Peters, LLC to conduct the study.

The Commission indicated that they would not discuss the proposal submitted by Demographia. See Exhibit 7.

Dr. Samuel Staley, Indiana Policy Review Foundation

Dr. Staley reviewed the research proposal he submitted to the Commission. See Exhibit 8. Commission members discussed whether the proposal was specific enough as to consolidation of specific services such as fire, EMS, and police/sheriff consolidation. The Commission also expressed concern that the form of the survey questions would affect the outcome. The Commission discussed Dr. Staley's testimony at the August 10 Commission meeting which did not support consolidation. Dr. Staley assured the Commission that he could draft the survey so that specific services would be included. Dr. Staley agreed to forward survey questions to members before the survey was sent out. The Commission voted 9-4 to recommend employment of Dr. Staley to conduct the study.

Sen. Young set the next meeting for September 28 at 10:00 a.m. He indicated that at the next meeting the Commission would look at the issues of trustees, assessors, and courts. Sen. Young discussed a proposal to amend the minutes of the last meeting. He said that this issue would be addressed at the next meeting after further research. The meeting was adjourned at 4:45 p.m.